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News Release

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Lt. Governor Kinder, House and Senate Leaders Voice Concerns on Changes in Unemployment Compensation Law

"Should businesses be forced to pay new taxes, or be allowed to pay more employees?"

JEFFERSON CITY – Lt. Governor Peter Kinder today joined Senator Charlie Shields and Rep. Ron Richard to speak out against proposed changes in Missouri's unemployment compensation laws.

"I am deeply troubled by law changes proposed in the American Recovery Act," Lt. Governor Kinder said. "The unemployment compensation fund was created as a safety net, not a way of life. This plan would create an unnecessary burden on businesses and Missourians who have lost their job through no fault of their own."

A summary of The American Recovery and Reinvestment Act of 2009, prepared by the Council of State Government, stipulates that states must have permanent, revised laws in place to deal with unemployment compensation. The act calls for states to extend benefit periods beyond normal terms and also opens up unemployment benefits to persons not eligible under current state law.

"The bottom line is that over time, this proposal would result in new taxes for Missouri small businesses," Lt. Governor Kinder said. "Over one month ago, I delivered my parties response to the State of the State address. I said then, and will say again; that no matter what you want to call it or how you want to say it, we WILL NOT raise taxes."

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The program, once expanded by state law, would require additional funding to sustain it at larger levels. At the time when federal stimulus dollars are gone, Missouri businesses would be forced to foot the bill for the expanded program. Under current state law, only employees fired without cause are eligible for jobless benefits. The proposed revisions may strip that and take away the power of the state to decide its own future.

“We are dedicated to protecting Missourians who have lost their jobs at such a critical time,” Lt. Governor Kinder said. “To put people back to work, Missouri businesses must not be forced to take on additional tax burdens.”

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